



ANTHONY A. WILLIAMS, MAYOR  
STANLEY JACKSON, DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT  
GOVERNMENT OF THE DISTRICT OF COLUMBIA

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**C**ONSOLIDATED

**A**NNUAL

**P**ERFORMANCE

**E**VALUATION

**R**EPORT

**DRAFT**

FISCAL YEAR 2005

DECEMBER 29, 2005



PRESENTED TO  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

JALAL GREENE, DIRECTOR  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
801 NORTH CAPITOL STREET, NE - WASHINGTON, DC 20002  
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### **Notice of Non-Discrimination**

In accordance with the D.C. Human Rights Act of 1977, as amended, D.C. Official Code Section 2-1401.01 et seq., (Act) the District of Columbia does not discriminate on the basis of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, familial status, family responsibilities, matriculation, political affiliation, disability, source of income, or place of residence or business. Sexual harassment is a form of sex discrimination, which is also prohibited by the Act. In addition, harassment based on any of the above protected categories is also prohibited by the Act. Discrimination in violation of the Act will not be tolerated. Violators will be subject to disciplinary action.

## Application

### U. S. Department of Housing and Urban Development (HUD) Consolidated Plan Management Process (CPMP)

**A. Submission****3. ☒ Annual Performance Report**

a. Timeframe covered is from 10/01/04 to 9/30/05

b. Year of Strategic Plan period for this submission: 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☒**4. Catalog of Federal Domestic**

Assistance Numbers	Assistance Titles	Amounts of Application Requests
14-218	Community Development Block Grant (CDBG)	\$ 22,463,000
14-239	HOME Investment Partnership Act Grant (HOME)	\$ 10,055,626
	ADDI 03 and 04 are part of HOME	\$
14-231	Emergency Shelter Grant (ESG)	\$ 836,352
14-241	Housing Opportunities for Persons with Aids (HOPWA)	\$ 11,802,000
14-900	Lead Based Paint Hazard Control Grant	\$ 2,233,000
14-905	Lead Hazard Reduction Demonstration Grant	\$ 1,233,000

**B. Applicant**1. Name: **District of Columbia**

2. Identifier:

3. Employer Identification Number (EIN): **53-6001131**4. DUNS number: **072634306**5. *Applicant is (choose one):*

- ☐ Local Government: City  
☐ Local Government: County  
☐ Consortia

☒ **State**

District of Columbia

6. U.S. Senators NONE

7. Names of Members of Congress for this jurisdiction      Congressional Districts  
**The Honorable Eleanor Holmes Norton**      **the District of Columbia**

8. Applicant/Grantee Representative:

Name: Jalal Greene

Title: Director, Department of Housing and Community Development

Telephone

Number: (202) 442-7210

**9. Certification**

"To the best of my knowledge and belief, all data in this application are true and correct, the document has been duly authorized by the governing body of the applicant, and the applicant will comply with the attached assurances if the assistance is awarded."

Signed :

Jalal Greene, Director

Date signed:

December 29, 2005

## 10. Contact Person for matters involving this application:

Name: Kay C. McGrath  
 Title: Special Assistant to the Director (DHCD)  
 Telephone: (202) 442-7276; Fax Number: (202) 442-9280;  
 E-mail Address: kay.mcgrath@dc.gov

**C. For HUD Use Only**

1. Is applicant delinquent on any Federal debt? ☐ yes ☒ no
2. Is application subject to review by State Executive Order 12372 process?

This application was made available to the E.O. 12372 process for review (date):

- ☐ No. This program is not covered by E.O. 12372.  
☐ N/A. This program has not been selected by the State for review.

3. Date Plan submitted December 29 2005  
 4. Date Plan Review due (45 days from HUD CPD receipt)  
 5. Date Plan Review completed

6. Plan approved ☐ yes Date  
 or  
☐ no Date  
 Extension granted ☐ yes ☐ no Date  
 Quantity of days extended  
 Explanation  
 Date Grantee signed off Date HUD signed off  
 Recommended actions

## 7. Reviewing offices (check those that will be reviewing):

- ☐ FOD  
☐ FHEO  
☐ SF  
☐ M  
☐ CPD Relocation  
☐ CPD FA  
☐ CPD CPS  
☐ CPD EO  
☐ IG  
☐ OGC  
☐ Other

## 8. Check any of the following that have been included in this submission:

**SF 424 in original signed hardcopy**  
**Certifications**  
 Electronic version Original signed hardcopy  
**Maps**  
☒ Electronic version Original signed hardcopy  
**Databases**  
 Electronic version Original signed hardcopy  
☒ Public comments  
☒ Replies to public comments

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## CAPER Checklist

The following checklist identifies the required elements of the CAPER, as defined in 24 CFR 91.520.

CAPER GENERAL REQUIREMENTS		PAGE
<input type="checkbox"/>	Evidence of public notice for CAPER Review	90
<input type="checkbox"/>	Assessment of progress toward five-year goals	5
<input type="checkbox"/>	Assessment of progress toward one-year goals	6-10; 19-24
<input type="checkbox"/>	Impediments to fair housing and actions to overcome them	13
<input type="checkbox"/>	Affordable housing actions for extremely low, low/moderate income renters and owners	19-24, 34-36; 39-47
	▪ Actions taken and accomplishments to meet worst case needs	22, 47, 69
	▪ Actions and accomplishments to serve people with disabilities	(same)
	▪ Number of Section 215 housing opportunities created	55
<input type="checkbox"/>	Continuum of care progress to help homeless people	60-69
	▪ Actions to meet supportive housing needs (include HIV/AIDS)	70-83
	▪ Actions to plan and/or implement continuum of care	64
	▪ Actions to prevent homelessness	61-63
<input type="checkbox"/>	Actions to address emergency shelter needs	60, 62-63, 67-69
	Actions to develop transitional housing	24, 47, 60-69
<input type="checkbox"/>	Actions and accomplishments to:	
	▪ meet underserved needs	47
	▪ foster and maintain affordable housing	19-22
	▪ eliminate barriers to affordable housing	13, 25-27
	▪ fill gaps in local institutional structure	27-36
	▪ facilitate PHA participation/role	34
	▪ reduce lead-based paint hazards	10
	▪ reduce poverty	12
	▪ ensure compliance with program and planning requirements (include monitoring of CHDOs/subrecipient compliance)	15, 56
<input type="checkbox"/>	Leveraging of public and private funds	39-41
<input type="checkbox"/>	Summary of citizen comments	89
<input type="checkbox"/>	Analysis of successes and failures and actions taken to improve programs	19-36
<b>COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)</b>		
<input type="checkbox"/>	Relationship of expenditures to priority needs	31; 37-54
<input type="checkbox"/>	Low/moderate income benefit	52
<input type="checkbox"/>	Amendments and other changes to programs	27-29
<input type="checkbox"/>	Completion of planned actions to:	
	▪ pursue all resources identified in plan	51
	▪ certify consistency for local applicants for HUD funds	51
	▪ support Consolidated Plan goals	51
<input type="checkbox"/>	National objective failures, if any	None reported
<input type="checkbox"/>	Actions taken to avoid displacement	28, 53



<b>CAPER GENERAL REQUIREMENTS</b>		<b>PAGE</b>
<input type="checkbox"/>	Compliance with URA	28, 53
<input type="checkbox"/>	If jobs were filled with over income people	No info.
	▪ What was done to give low/moderate income first priority?	No info. available
	▪ List job titles created/retained and those made available to low/mods	No info. available
	▪ Describe training for low/moderate income persons	92
<input type="checkbox"/>	For limited clientele activities, if any:	
	▪ The nature of the group that allows assumption of more than 51% low/mod	None reported
<input type="checkbox"/>	Rehabilitation accomplishments and costs	5, 8, 22 ,42, 45, 47
	▪ units completed for each type of program	5, 8, 22 ,42, 45, 47
	▪ CDBG expenditures for rehabilitation	42-33, 46-47, 50-54
	▪ other funds invested	38-40
	▪ delivery costs	
<input type="checkbox"/>	Neighborhood Revitalization Strategy area, if any:	84-88
	progress against established benchmarks	84-88
<input type="checkbox"/>	CDBG Financial Summary Attachments:	Appendix E, Reports
	▪ Reconciliation of cash balances	Same
	▪ Program income, adjustments and receivables	Same
<b>HOME</b>		
<input type="checkbox"/>	Distribution of HOME funds among identified needs	43-55
<input type="checkbox"/>	HOME Match Report (HUD 40107A)	Appendix E, Reports
<input type="checkbox"/>	Contracting opportunities for M/WBEs	Appendix E, Reports
<input type="checkbox"/>	Summary of results of onsite inspections of HOME rental units	57
<input type="checkbox"/>	Assessment of effectiveness of affirmative marketing plans	58
<input type="checkbox"/>	Information about the use of program income	56
<b>EMERGENCY SHELTER GRANTS (ESG)</b>		
<input type="checkbox"/>	Description of how activities relate to ConPlan and continuum of care	60-69
<input type="checkbox"/>	Leveraging resources	65
<input type="checkbox"/>	Self-evaluation	19-36
<b>HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)</b>		
<input type="checkbox"/>	Description of activities and successes and failures	70-83
<input type="checkbox"/>	Improvements needed to overcome failures	Same
<input type="checkbox"/>	Description of local compliance and monitoring procedures	Same
<input type="checkbox"/>	Describe leveraging and coordination with other local groups	Same

**IDIS REPORTS**

A complete CAPER requires that all data for the program year be entered into IDIS. It is Department policy that IDIS data be updated at least quarterly. Grantees are not required to submit IDIS reports to HUD but must make information about accomplishments, progress and finances available to the public as part of the citizen participation process.

## I INTRODUCTION AND EXECUTIVE SUMMARY

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### INTRODUCTION:

The U.S. Department of Housing and Urban Development (HUD) requires each of its federal entitlement grant recipients to file an annual Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER reports on the District of Columbia's use of funds from four entitlement grants: The Community Development Block Grant (CDBG), Home Investment Partnership Grant Program (HOME) (with the new ADDI program within HOME), Emergency Shelter Grant (ESG), and the Housing Opportunities for Persons with AIDS Grant (HOPWA). The CAPER must be submitted to HUD within 90 days after the close of the grantee's fiscal year and after a 15-day public comment and review period.

The Department of Housing and Community Development (DHCD) is the District's lead agency charged with providing HUD with the CAPER report containing the information needed to assess the District's ability to carry out its programs. It presents operational information on the District's activities to the general public in the District of Columbia as well as to the Congress.

The FY 2005 CAPER includes Tables demonstrating progress in meeting the goals the Department set at the start of the fiscal year; a summary of its progress in meeting its five-year goals (2001 through 2005), sources and uses of funds, information on DHCD initiatives, such as its fair housing, lead safety and public education and outreach efforts; and descriptions of other activities that will enable the public to fairly judge DHCD's performance in fulfilling its housing and community development mission.

### MISSION:

The mission of the Department of Housing and Community Development (DHCD) is to be a catalyst in neighborhood revitalization by strategically leveraging public funds with private and non-profit partners for low-to-moderate income D.C. residents in order to promote the preservation, rehabilitation and development of housing, increase home ownership, and support community and commercial initiatives. To accomplish HUD's goals of providing decent housing, a suitable living environment and expanded economic opportunities for low-to-moderate income residents, the Department established priority program areas in its Five-Year Consolidated Plan. The long-term priority areas for community planning and development initiatives in the Five-Year Consolidated Plan were:

- Homebuyer Assistance and Housing Recycling and Preservation
- Affordable Housing Production
- Community Organization Support, and
- Community and Commercial Development

DHCD consolidated its Five-Year priority areas into three main goal areas. These are:

1. Increasing home ownership opportunities;
2. Increasing the supply of affordable housing for renters and owners; and
3. Supporting neighborhood revitalization with economic opportunity for low-to-moderate income residents.

SUMMARY:

In fy 2005, the District received \$45,156,980.00 from the four federal entitlement grants (CDBG, HOME, ESG and HOPWA) applied for in the FY 2005 Consolidated Annual Plan. Of this total, the HOPWA grant of \$11,802,000 for the Statistical Metropolitan Area (SMA) went directly to, and was administered by, the HIV/AIDS Administration of the D.C. Department of Health (DOH). In addition to the annual entitlements, DHCD had \$59,305,603 in CDBG program income and \$1,849,032 in HOME program income as well as \$8,001,962 in CDBG carryover funds, \$9,334,183 in HOME carryover funds and \$3,466,000 in Lead Grant carryover.

During Fiscal Year 2005, DHCD continued to make considerable progress in meeting the need for affordable housing, both in home ownership and in the supply of rehabilitated and new units; and in meeting non-housing community development goals for the District of Columbia. (Table 1) However, during this period, rapid changes in the housing market, beyond the control of the government, have also continued to have a negative impact on the affordability of housing, even with substantial public subsidy.

*Table 1: Summary of Accomplishments, FY 2005*

<b>Rehabilitated multifamily and single family units funded</b>	<b>974*</b>	<b>Tenants Assisted to purchase units through Purchase Assistance</b>	<b>153</b>
<b>New multi/single family units funded</b>	<b>746</b>	<b>Housing Counseling (tenant conversions)</b>	<b>8,456</b>
<b>Home Buyer Assistance Loans</b>	<b>194</b>	<b>Businesses with technical support</b>	<b>1,876</b>
<b>Eviction Prevention Grants</b>	<b>115</b>	<b>Business Micro-loans, H St. CDC</b>	<b>5</b>
<b>Families Supported In Shelter</b>	<b>83</b>	<b>Community/Commercial facilities</b>	<b>9</b>
<b>Shelter beds rehabbed</b>	<b>180</b>	<b>Housing Counseling home - ownership</b>	<b>17,662</b>

\* Includes 103 Single Family Residential Rehab loans/grants

Among other accomplishments in FY 2005, DHCD:

- Held the Fourth Annual Fair Housing Symposium in April 2005, conducted four community fair housing trainings, continued its outreach program by distributing Spanish, English and Vietnamese brochures; completed Section 504 accessibility compliance contract with ULS, continued translating brochures into Chinese and Amharic, and contracted for the "2005 Analysis of Impediments to Fair Housing Choice."

- Continued to increase funding for affordable housing production, using the locally funded Housing Production Trust Fund (HPTF) in combination with federal funding;
- Created a new public-private initiative under the HPTF to finance acquisition of affordable housing sites by non-profit housing developers (Site Acquisition Fund Initiative (SAFI),
- Financed 2,168 units of housing with lead-safe requirements, provided lead hazard intervention work on 14 units in 3 projects and announced the opening of three lead resource centers funded under the HUD lead grants;
- Continued to improve program delivery, increased access to DHCD funding by adding a second RFP process within the same fiscal year, and enhanced the monitoring protocols for sub-recipients.

***CAPER Report Parts:***

This CAPER report is made up of the following parts:

- Part 1. Accomplishments:** Progress toward Five-Year and One-Year Goals for Affordable housing (home ownership opportunities and increasing the supply); Homelessness prevention and support services (ESG); Non-Housing Community Development, Monitoring and Performance Measurement. (Page 4)
- Part 2. Assessments:** Obstacles and corrective actions; Geographic Targeting, DHCD Funding Process, Institutional Structure and Coordination; and Outreach and Public Participation. (Page 19)
- Part 3. Funding:** Sources And Uses -- Community Development Block Grant (CDBG) Expenditures Related To Priorities, Low-Moderate Income Benefit, Pursuance Of Resources And Financial Summary. The Home Investment Partnership Program (HOME)--Distribution Of Funds Among Identified Needs, Contracting Opportunities, Inspections, Affirmative Marketing And Other Program Information. (Page 37)
- Part 4.** Program Performance, **CDBG, HOME, ESG** and Continuum of Care (Page 51)
- Part 5. HOPWA**—Housing Opportunities For Persons With AIDS Performance Report Describes Activities, Successes And Failures, Improvements, Method Of Sponsor Selection And Monitoring. (Page 70)
- Part 6. Special Initiatives:** Neighborhood Revitalization Strategy Areas, and Section 108 (Page 83)
- Part 7. Public Participation**—Notice of Availability; Process, Responses. ( Page 88)

**APPENDICES (PAGE 94 PP)**

- A Development Finance Projects
- B Neighborhood Based Activities Grants
- C DHCD program Descriptions
- D Map and Census Tract Data
- E REPORTS

## **PART 1. ACCOMPLISHMENTS**

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### **A. HIGHLIGHTS: FIVE-YEAR GOALS (2001-2005)**

During the Five Year Consolidated Plan period that ended in FY 2005, (FY 2001-2005) DHCD increased the supply of affordable housing; expanded homeownership opportunities and contributed to economic and community revitalization.

From FY 2001 to the end of FY 2005, DHCD provided loans for down payments and closing costs for 1,946 new first-time homeowners through its Home Purchase Assistance Program (HPAP) and federal American Dream Down Payment Initiative (ADDI. DHCD also assisted 1,381 tenants toward home ownership by assisting them in acquiring and converting rental units for condominium or co-op ownership under the DC First Right to Purchase and Tenant Apartment Purchase Programs. DHCD also assisted 291 single-family owner-occupants to remain in their homes by providing loans and grants for rehabilitation, including replacement of lead water pipes.

Over this period, DHCD increased the supply of affordable housing by 10,674 units through funds provided for multi-family rehabilitation and/or for pre-development loans for new multi-family and single-family construction projects. Emergency Shelter Grant (ESG) funds provided emergency assistance to prevent 2,071 households from becoming homeless, to provide shelter for 337 families in a family shelter supporter by DHCD ESG funds, and to renovate 2,082 shelter beds.

DHCD's affordable housing construction projects spur neighborhood revitalization and local economic development. As part of its neighborhood investments over the past five years, DHCD funded technical assistance for 5,469 small neighborhood businesses to assist in their retention and expansion, façade improvement projects for 30 small businesses, and provided job training or placement for almost 400 individuals through community-based organizations. DHCD also provided housing counseling to over 80,000 tenants, home buyers and new homeowners to increase access to housing and stable home ownership.

(See Table 2, page 5)

**Table 2. Five-Year Plan Accomplishments 2001-2005**

	<b>DHCD Program Activity</b>	<b>FY 2001-2004</b>	<b>FY 2005</b>	<b>TOTAL</b>
Affordable Housing Ownership	Provide Home Purchase Assistance (HPAP) loans for down payment and closing costs	1,752	194	1,946
	Assist tenants in first-right purchase of apartments	835	746	1,381
	Expand access to housing through comprehensive counseling for tenants/ownership; and assistance with program requirements and intake	62,738 residents	18,360	81,098
	Make tax delinquent properties available for new ownership through a Homestead lottery	5	10	15
	Assist current single-family homeowners to remain in decent homes by providing rehabilitation loans	188	103	291
Affordable Housing Supply	Provide funding to rehabilitate multi-family units for rental or owner occupants	5,880	871	6,751
	Provide construction assistance for new construction of single or multi-family, rental or owner housing units.	3,162	746	3,908

\*A Prior report of 174 units was for FY 2000, and not during the 2001-2005 Five Year Period.  
Current activity supports 5 previous Homestead property owners, and title clearance.

	<b>DHCD Program Activity</b>	<b>FY 2001-2004</b>	<b>FY 2005</b>	<b>TOTAL</b>
Community Development & Econom Opportunity	Provide neighborhood-based job training and placement	382 268	NA	382 268
	Support local business development with technical assistance	3,593	1,876	5,469
	Support revitalization-community/commercial facilities	61	9	70
Homelessness	Prevent homelessness and provide emergency assistance	1,956	115	2,071
	Provide essential support services (persons served)	>15,000	NA	NA
	Maintain homeless shelters (Renovate Beds)	1,902	180	2,082
	Support shelter for families (# families)	254	83	337

## Fiscal Year 2005 Accomplishments: (Tables 3 and 4)

**1) Homelessness and Special Needs:**

Emergency Shelter Grant (ESG): DHCD exceeded its FY 2005 ESG Action Plan goal to provide shelter for 45 families each month. The actual number of families assisted over the year was 83. DHCD did not meet the goal of assisting 270 individuals/families with emergency grants to prevent homelessness. DHCD provided 115 emergency grants. The ESG also funded renovation of 180 shelter beds.

Housing Opportunities for Persons with AIDS (HOPWA): HOPWA funds were used to housing assistance to 1,162 individuals and families in the DC EMA. Short-term supportive housing opportunities were provided for 1,309 persons living with AIDS, and supportive services to housing were provided for 1,752 PWAs. Housing information services were provided to 2,900 persons. Twenty-two sub-grants were awarded to provide operating support to housing for persons living with HIV/AIDS, and 45 sub-grantees were provided with technical assistance.

Among the affordable units funded by DHCD under its Development Project Financing Program were 90 special needs units and 231 senior citizen units. (See also p. 47)

**Fiscal Year 2005 Goals and Results***Table 3: HUD Summary of Specific Homeless/Special Needs Objectives*

Obj	Specific Objectives	Performance Measure	Expected Units	Actual Units
<b>#1</b>	<b>Homelessness</b>			
1.1	Prevent increases in homelessness	Eviction-prevention grants provided for families and individuals	180 fams, 90 indivs.	115
1.2	Support homeless families	Families benefiting from support provided for Family Shelter (45 Per month)	45	83
1.3	Maintain the quality of shelter provided to homeless persons.	Shelter beds renovated	342 beds, 68 family units	180beds
<b>#2</b>	<b>Special Needs Objectives</b>			
2.1	Provide housing information services to persons living with HIV/AIDS	Persons receiving housing information	2,050	2900
2.2	Provide and sustain short-term supportive housing opportunities to persons living with HIV/AIDS	Persons served	40 project-based rental asstnc;	169



Obj	Specific Objectives	Performance Measure	Expected Units	Actual Units
			667 tenant- based vouchers, 1069 rent, mrtg, utility payments.	650      490
2.3	Provide supporting services to HOPWA-assisted housing	Persons provided supportive services	663	1752
2.4	Provide operating support to housing for persons living with HIV/AIDS	Subgrants awarded	45	22
2.5	Assist communities to develop comprehensive strategies for HIV/AIDS housing, outreach and education	Subgrantees provided technical assistance	45	45
2.6	Other Special Needs Housing Units are included in the objective #2 to preserve and increase affordable housing	Special needs housing units assisted	Part of overall 1,308	

## **2) Affordable Housing:**

During FY 2005, DHCD assisted 194 first-time homeowners with loans from the Home Purchase Assistance Program (HPAP), and assisted another 153 tenants in the conversion of their rental units to ownership as condominiums or co-ops. DHCD also exceeded its goal to provide housing counseling to 4,000 households, by providing assistance to 17,662 persons. This goal was revised during the year to reflect the actual level of activity and demand for services. The new goal is 8,000 which will remain in FY 2006, given appropriate funding and vendors.

DHCD increased the supply of affordable housing by funding rehabilitation of multi-family units or pre-construction of new units for a total of 1,617 units. Among the affordable units supported were 871 rehabilitated multi-family units and 746 new construction multi-family or single-family units. Of the units, funded in FY 2005, 354 were affordable to extremely-low-income residents; 437 units were affordable to very-low income residents, 889 units were affordable to low-income residents, and 41 units were affordable to low-moderate income residents. (See page 47, Table 16)



**Table 4: HUD "Table 2C" Summary of Specific Housing/Community Development Objectives and Results FY 2005**

Obj.	Specific Objectives	Performance Measure	Expected Units	Actual Units
<b>#3</b>	<b>Rental Housing Objectives</b>			
3.1	Preserve and increase affordable housing supply for low-moderate income, extremely low and very low-income residents	Units funded with multi-family rehabilitation and construction assistance	1,308	871
3.2	Support tenants through tenant organizations with first right to purchase assistance to convert rental units to ownership units	Tenants provided counseling, technical assistance	4,000	8,456
3.3	Provide counseling to tenants in assisted housing with expiring subsidies, to prevent involuntary displacement.	Tenants assisted	3,000	4,000
<b>#4</b>	<b>Owner Housing Objectives</b>			
4.1	Increase homeownership opportunities for low-moderate-income residents	Home purchase loans to homebuyers; incentives to non-profit developers; predevelopment loans (includes HODIF funds)	240 HPAP loans;	194
4.2	Increase homeownership Opportunities for very-low * low-income residents who are HOME-income eligible through the ADDI program	Home purchase loans to very-low and low-income home buyers, especially current public housing residents; pre and post-ownership counseling	70	70
4.3	Preserve existing home-ownership through assistance with rehabilitation to code standards.	Single-family rehab loans directly or through nonprofit intermediaries	35	103
4.4	Increase supply of new single and multi-family housing units	Construction assistance loans for new units	200	746
4.5	Assist conversion of rental units to condominium/co-op Ownership units.	Families assisted	200	153
4.6	Promote and preserve home ownership and support homeowner management skills	Persons receiving comprehensive housing counseling and program intake.	4,000	17,662
4.7	Promote home ownership through the reclamation of abandoned properties	Homestead Program properties supported	5 units	10

### 3) Non-Housing Community Development--Expanding Economic Opportunity:

DHCD exceeded its FY 2005 Action Plan goal to provide technical assistance to 300 small businesses by providing assistance to 1,876 small businesses. The original goal of 300 was revised during the year to reflect the actual level of activity and demand for these services. The goal was increased to 1,500 businesses which will remain the target in FY 2006, given appropriate funding and vendors. DHCD also funded nine (9) community and/or commercial facilities and planning activities. (Tables 3, 4 and 5)

**Table 5: HUD "Table 2C" Summary of Specific Housing/Community Development Objectives FY2005 (Table 2A/2B Continuation Sheet)**

Obj.	Specific Objectives	Performance Measure	Expected Units	Actual Units
<b>#5</b>	<b>Community Development Objectives</b>			
5.1	(Neighborhood Revitalization) Support retention and growth of local neighborhood businesses.	Businesses assisted through technical assistance from CBOs	300	1,876
<b>#6</b>	<b>Infrastructure Objectives</b>			
	Infrastructure Objectives may include business infrastructure improvements funded with local funds. See Economic Development Objectives. (See p. 27)	(See 9/3)		
<b>#7</b>	<b>Public Facilities Objectives</b>			
	There are no specific public facility objectives in this Plan; public facility activities are undertaken as part of Development Finance Division Project Finance Activities (See page 26)			
<b>#8</b>	<b>Public Services Objectives</b>			
	See Neighborhood-Based Activities discussion.	See Objectives 3.3, 4.5 and 9.1		

Obj.	Specific Objectives	Performance Measure	Expected Units	Actual Units
<b>#9</b>	<b>Economic Development Objectives</b>			
9.1	Support property management (through RLA-RC)	Properties Managed	94	94
9.2	Enhance function and appearance of business facilities to strengthen commercial corridors	Businesses assisted through grants for the revitalization of commercial facades	100	0
<b>#10</b>	<b>Planning/Administration:</b>			
10.1	Conduct program monitoring activities	Site visits and reports	60	58
10.2	Carry out the Department's Administrative Management Program	Various	N/A	

## OTHER FY 2005 ACCOMPLISHMENTS

In addition to its goals for affordable housing, homeless prevention and service, and for non-housing community development, progress was made in 1) reducing lead-paint hazards; 2) addressing the city's anti-poverty strategy; 3) monitoring programs and sub-recipients; and 4) in performance measurement as described below:

***1) Reducing Lead-Paint Hazards***

The Consolidated Plan describes the District's efforts to implement the U.S. Department of Housing and Urban Development's (HUD) lead-safe housing regulations. (page 86 of Plan)

Background: DHCD competed for and was awarded two HUD lead-safety grants for FY 2004. The grants, which were received at the end of FY 2003, were: 1) the Lead Hazard Control Program Grant award of \$2,997,743; and the Lead Hazard Reduction Demonstration Grant award of \$2,000,000. The District match for the grants is \$4,000,000. DC's Program is called the "Lead Safe Washington (LSW) Program." DHCD works in partnership with the D.C. Department of Health (DOH) and the community to address lead-safe requirements. Since the program's inception, LSW has spent approximately \$632,000 and executed 27 grant agreements to pay for lead evaluations, lead rehab work and to fund its community partners. LSW has funded lead work in 48 units of housing, has 115 units currently undergoing some level of lead intervention, and over 200 units being considered for funding by LSW. LSW has also provided lead training to 158 District of Columbia residents and reach over 200,000 individuals with lead-based paint safety information.

**Progress:**

DHCD has made progress in implementing the Lead Safe Housing Rule by incorporating the Rule into its housing rehabilitation programs. For single family rehabilitation, DHCD conducts a lead-based paint (LBP) inspection risk assessment as part of each field investigation it undertakes for single family properties to be assisted through its Single Family Residential Rehabilitation Program (SFRRP), and the homeowners are provided grant funding to pay for the LBP hazard abatement. In its multi-family housing rehabilitation program, the Development Finance Division has financed approximately 1,600 units of housing in FY 2005, the majority of which must comply with the Lead Safe Housing Rule.

Key actions for DHCD in carrying out the District's strategy are to ensure that lead-safe work practice requirements for contractors are used in renovation, remodeling, painting, demolition and other activities that disturb painted surfaces in assisted units. DHCD has financed (in connection with the Lead Safe Housing MOU) approximately 2,168 units of housing with lead safe requirements. This does not include the 28 applications for single family rehab and lead work currently underway. LSW also provided lead hazard intervention work on a total of 14 units for three projects to meet its HUD benchmark for FY 2005 in one grant and exceed the benchmark in the second grant.

**Outreach and Education:**

During FY 2005, Lead Safe Washington, (LSW) as part of its outreach and education efforts, established four sub-grants, three of which were awarded to community-based organizations, and the fourth was awarded to the Coalition to end Childhood Lead Poisoning. Additionally, DHCD announced the opening of three lead resource centers being funded under the HUD lead grants in the following communities: Marshall Heights/Deanwood, Congress Heights, and Ivy City-Trinidad. The resource centers provided education materials on lead-based paint prevention, HEPA vacuum loan program and free cleaning kits. The three CBOs also provided additional lead training to residents in the target communities.

Since 2003, DHCD has held three major lead forums and conferences. In October of 2005, DHCD partnered with the Department of Health and a number of non-government organizations to convene a kick-off to Lead Awareness Week called the "D.C. Lead Safe Fair: Healthy Homes-Healthy Children". The Fair offered information on lead-related health screenings, government programs and services, and businesses or organizations that provide products or services to populations most affected by the effects of LBP.

## **2) Anti-Poverty Strategy**

DHCD is not the lead agency in the District's direct efforts to reduce poverty, and the HUD entitlement program funds administered by DHCD are not the primary source of funds for anti-poverty activity by the District. However, by funding housing for extremely low, very-low and low-income residents DHCD contributes to the city's anti-poverty strategy by lifting families out of poverty and providing them with stable lodging and a means to build equity for the future. DHCD also supports other DC Government initiatives in reducing poverty and utilizes its federal and local funds to help residents improve their financial stability through housing and financial counseling programs conducted by a network of community-based organizations. DHCD also provides funds to community-based organizations to assist small businesses with technical assistance and to improve their physical appearance to retain and expand neighborhood job opportunities.

The comprehensive housing counseling services funded by DHCD provide tenants and prospective homeowners with assistance in such matters as: improving credit, household budgeting, household/home management and maintenance—all geared toward improving residents' opportunities to obtain and retain decent housing, with the prospect of moving toward ownership and the development of equity. Residents of buildings with expiring Section 8 protections are provided targeted assistance in locating housing options, and introduced to the DHCD-sponsored Tenant First Right to Purchase Program to move toward ownership.

The Tenant First Right to Purchase Program and the Tenant Apartment Purchase Assistance programs provide technical assistance, seed funds and "earnest" money to tenant groups to assist them to organize to take advantage of their first right of refusal when a building is for sale. The program also provides new tenant owner groups with management/technical assistance. Converted buildings are also eligible to apply to DHCD for rehabilitation funding. During FY 2005, DHCD provided 153 tenants with these services.

DHCD provides education and outreach to ensure that Fair Housing Laws are understood and that all residents are provided with information on their rights to access to housing in the District of Columbia. Assistance is provided in several languages. During FY 2005, DHCD reached over 2,000 residents with Fair Housing Information and/or assistance.

Other agencies play the key roles in the reduction of poverty. The Department of Human Services administers income support, welfare to work and a range of programs to support families and individuals. The Community Partnership for the Prevention of Homelessness provides emergency support from ESG funds to prevent eviction. The Office on Aging provides support services to seniors and partners with DHCD in the development of senior housing.

The Department of Employment Services (DOES) provides extensive job training opportunities through its city-wide "One Stop Service Centers." The Workforce Investment

Council (WIC) brings together private and public sector stakeholders to develop strategies to increase employment opportunities for DC residents, to support and to assist DOES in its employment mission FY 2005. The DC Public School Administration has created career-oriented high schools in a number of specialized areas, including the Technology and Hospitality Industries to facilitate students progressing from school to real jobs in the DC market.

#### New Communities and Great Streets:

During FY 2005, the Mayor, City Administrator and Deputy Mayor for Planning and Economic Development announced a new set of anti-poverty initiatives that directly target neighborhoods with high poverty and crime rates. These two initiatives are being planned to address both physical and socio-economic-educational needs of the targeted areas—by combining government resources with those of private and non-profit developers or organizations to bring long-term and comprehensive revitalization to the designated “New Communities”. The companion program, “Great Streets” is a strategy to revive the local commercial corridors bordering the new communities so that the balance of services that neighborhoods need are restored along with the housing and social fabric.

This is a new and aggressive approach to fighting poverty that includes current residents and businesses in the planning for an inclusive neighborhood that attracts a mixture of incomes and families, singles, and elders into the revitalized neighborhoods. DHCD will play an important role in these initiatives starting with FY 2006.

### **3) *Fair Housing***

Racial and ethnic minorities, among other protected groups, can face impediments to fair housing choice in the rental, sales, mortgage, and in the insurance process when acquiring a home. These obstacles are further heightened when income constraints does not permit the family to increase its collective wealth through the purchase of a home. Many barriers are a result of perceived stereotypes related to the federal protected class, i.e. race (ethnic identity), color, national origin, religion, sex, disability and familial status. In addition, District, residents can face extra alienation due to their membership in a local protected class which can include but is not limited to: sexual orientation, age, marital status, source of income, place of residence or business, and political affiliation.

Prospective homebuyers and current homeowners face another challenge in their homeownership dream in the practices used by predatory lenders through home improvement scams and refinancing schemes. These scams typically target elderly African American homeowners with substantial equity in their property and recent immigrant home seekers who are limited in their English proficiency (LEP) These challenges to fair housing and homeownership are exacerbated by the limited supply of affordable housing (assisted or otherwise), and limited housing services for limited English proficiency populations.

To assist District residents through these market changes and industry challenges, DHCD continues to collaborate with its private sector and non-profit partners to tackle barriers and discriminatory actions which prevent District residents from enjoying fair treatment and equal opportunity in their housing search.

During Fiscal Year 2005, DHCD and its Fair Housing Program accomplished the following:

- Held the Fourth Annual Fair Housing Symposium in April 2005 targeting community based service providers, the real estate industry-- particularly property managers--and District residents. This effort was a partnership between the District government (DHCD along with the Office of Human Rights) and the fair housing advocacy non-profit sector represented by the Equal Rights Center. This year's theme title "Symptoms: When Location Makes a Difference, Diagnosis: Today's Victims, Today's Victories, and Treatment: Back to the Basics – The Intent of Fair Housing" dealt with issues affecting District residents. National as well as locally recognized fair housing and industry experts were invited to speak.
- Conducted four community fair housing trainings throughout the city in partnership with community based organizations during Fair Housing Month (April 2005)
- Continued to execute and oversee the HUD awarded grant—the "Fair Housing Initiatives Program-Education and Outreach Initiative (FHIP-EOI) Homeownership Component funding program." DHCD produced the "Your Fair Housing Right to Homeownership" brochure to educate prospective homebuyers on the process of home buying and on the fair housing "red flags" they should be aware of at each step of this process. The target lower-income and limited English proficiency residents facing barriers to housing choice are helped to overcome poor credit history problems, to improve personal financial management practices, and to prepare for homeownership.
- Distributed program and fair housing brochures in the various LEP languages when canvassing District neighborhoods for housing-related issues through the Department's Neighborhood Service Coordinators.
- Completed the Section 504 accessibility compliance contract with University Legal Services to ensure that current pipeline and prior multifamily projects are in compliance with the mandatory Sec. 504 accessibility rules and regulations.
- Provided training to program and project sub-recipients to ensure Department wide compliance with federal funding regulations and increase accessibility for residents. Training included: fair housing and accessibility guidelines, equal opportunity rules and regulations, and Section 504 and the Uniform Federal Accessibility Standards (UFAS).



- Contracted with the Urban Institute to complete the “2005 Analysis of Impediments to Fair Housing Choice”, a document detailing the private sector, government agency and legislative obstacles faced by DC residents. These obstacles include: rules, regulations, business practices, laws, policies, legislation, and other factors.
- Continued to excel in compliance performance with the regulations enacted in the D.C. Language Access Act of 2004. This law provides for greater accessibility to DC government programs by the LEP population, which in DC, is made up of the following language groups: Spanish, Chinese, Vietnamese and Amharic.

#### **4) *Monitoring***

During fiscal year 2005, DHCD continued to improve its sub-recipient monitoring program and procedures. DHCD developed its annual sub-recipient monitoring plan, and conducted monitoring reviews of DHCD programs and sub recipients, including the Neighborhood Based Activities (NBA) sub-recipients; the Residential and Community Services’ Division administration of the NBA and Community Based Organizations. The Office of Program Monitoring (OPM) issued monitoring reports that included specific findings and recommendations to be addressed.

OPM continued to use its tracking database to monitor DHCD and sub-recipient corrective action for reports issued by OPM and by external agencies such as HUD and the D.C. Office of the Inspector General, and respective A-133 auditors. Several recommendations were closed due to OPM’s tracking and follow-up.

OPM regularly monitors the Integrated Disbursement Information System (IDIS) for CDBG, HOME, HOPWA and ESG commitment and spending requirements. OPM issues monthly spending reports for the above programs.

With regard to oversight of Community Housing Development Organizations (CHDOs), during FY 05, DHCD has recertified several CHDOs and certified two new CHDO (Jubilee and DC Habitat for Humanity) in accordance with the CHDO definition stated in 24 CFR 92.2. The Department also requires that all CHDOs certify their compliance with that definition prior to issuing CHDO funds to them. To maximize the use of CHDO funds, the Office of Program Monitoring monitors the CHDO reservation requirement (in IDIS) on an ongoing basis, and DHCD both advertises technical assistance opportunities to the CHDOs and solicits CHDO participation from nonprofit organizations.

#### **5) *Performance Measurement***

The District has had a Monthly Performance Measurement system in place since FY 2000. In FY 2003, the District began to implement a government-wide system of Performance-Based Budgeting (PBB). DHCD implemented its PBB starting with FY 2004. As part of the



DC performance measurement system, DHCD has had in place a Mission Statement, goals and objectives and performance measures for each housing and community development program area.

Government-wide training for an automated budget and performance measurement system, the Administrative Services Management Program (ASMP), has been in progress during FY 2004, and will go “live” beginning in October 2004 for fiscal year 2005. Monthly (or quarterly) performance data for demand and output will be provided by program staff and the system will automatically calculate the result as a *percentage* based on a preset output-over-demand formula. Reporting is done through the Office of the Director for transmittal to the Mayor.

The District takes Performance Measurement seriously. Performance measures are part of all Agency Directors’ employment contracts with the Mayor, and they are evaluated each year in writing and in a direct conference with the Mayor. In turn, within the agency, the measures for each program/division become part of Division Directors’ performance plans and part of the annual evaluation process.

The measurement system enables the Director to know on a monthly basis the productivity of the Department and its progress in meeting spending plans and program commitments to HUD and to the Mayor and Council of the District of Columbia. The system provides a color-coded view of trend analysis so that managers can get a quick update on the status of measures. Program managers/division directors are provided with a quarterly analysis of their progress toward goals and required to explain lagging goals, as well as to recommend strategies and/or resources needed to meet any unmet obligations. This data collection and monitoring system provides a basis for managers to make course corrections in light of unforeseen circumstances, and to anticipate changes needed in program design, funding or operations. DHCD’s performance targets are submitted as part of the Annual Action Plans and results are reported in the annual CAPER reports. (Tables 3, 4, and 5)

### **Outcome Measures:**

DHCD has developed outcome measure indicators which will relate to an improved quality of life for program participants, improved quality of local housing stock, and revitalization of neighborhoods. Our outcome measurements are identified in the Table below, and show how DHCD program measures relate to HUD parameters for measuring outcomes. (See Tables 3, 4, 5 for output measures)

### Program Outcome Measurement

HUD Objective	Indicator	DHCD Program	Outcome	Measurement
Suitable Living Environment	Number of housing units assisted that have eliminated at least one significant health and safety deficiency	DFD Project Financing—Rental Housing Rehab Program	<i>Over a five-year period, 7,540 units of affordable housing will be brought up to DC building Code standards. The annual output objective is 1308 units at DC Code standards. Units will be in targeted neighborhoods throughout the District to increase stability and revitalization.</i>	Actual number of units of affordable housing financed and brought up to DC building code standards will be measured against a Dept. of Consumer & Regulatory Affairs database of DC total housing unit code deficiencies and be expressed as a percentage of reduction.
Suitable Living Environment	Units provided with financing for the correction of documented housing code violations and other health and safety threats.	Homeownership Promotion and Preservation, Single-Family Residential Rehab Program	<i>Stable housing is preserved for low/moderate income homeowners as 50% of eligible homeowners complete the necessary steps to obtain District rehabilitation financing to correct housing code violations and other threats to personal health and safety.</i>	Ratio of Single Family Rehab applications approved by loan committee to total number of rehabilitation projects financed by loans and/or grants.
Suitable Living Environment	Reduction in derelict properties as a result of acquisition, demolition or rehabilitation and Increased neighborhood stability.	DFD Financing, TPAP, tenant purchase program.	<i>Rental housing will be returned to DC code standards and homeownership will be increased by assisting 150 tenant-households to purchase and own these units. Units will be in targeted neighborhoods throughout the District</i>	Number of families successfully purchasing the buildings they live in
Affordable Housing through funding	% increase in homeownership rate in targeted neighborhoods or community overall	HPAP, first-time homeowner loans	<i>City-wide proportion of low-Moderate-income homeowner households to renter households is increased, as 30% of all low/mod-income renters receiving Notice of Eligibility for DC funded homebuyer settle homebuyer loans. .</i>	Ratio of all applicants obtaining Notices of Eligibility for first-time homebuyer assistance to total number of households purchasing homes with DC homebuyer assistance.

HUD Objective	Indicator	DHCD Program	Outcome	Measurement
Economic Opportunity-	Neighborhood Based Activity	Commercial Corridor Development and Technical Assistance	<i>Small businesses in expanding commercial corridors become more competitive and are stabilized against possible displacement as 90% of businesses presenting receive assistance developing marketing efforts, business plans, certifications, etc. which increase their opportunities to be self-sustaining.</i>	Ratio of all small businesses that seek technical assistance from grantee agencies to total number of small businesses actually provided such services by grantee agencies.
Suitable Living Environment	Neighborhood Based Activity	Housing Counseling Program	<i>Households with active or potential housing crises have housing situations stabilized, as 90% of households seeking assistance receive counseling, information about affordable housing and/or access to District housing assistance programs.</i>	Ratio of all households requesting appointments for counseling services** with grantee agencies to all households that receive face-to-face counseling. **excluding households that do not keep scheduled appointments.
<i>Ending and preventing chronic homelessness</i>	<i>End and prevent chronic homelessness in DC by 2014</i>	<i>ESG support for Shelter Operations, emergency grants, and shelter bed renovations.</i>	<i>No fewer than 45 families will be housed each month in suitable living space; Households will be stabilized and prevented from becoming homeless and Homeless persons will be provided safe, sanitary and decent living conditions</i>	Actual number of families/individuals assisted each month; number of beds renovated.

## **PART 2. ASSESSMENT, TARGETING, INSTITUTIONAL STRUCTURE, AND PUBLIC PARTICIPATION**

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Part 2 of the CAPER presents an 1) assessment of the FY 2005 Action Plan accomplishments in expanding homeownership, sustaining current owners, increasing the supply of affordable housing, and providing non-housing community/economic development for low and moderate income residents; 2) identifies the challenges that were encountered; and 3) discusses strategies and actions taken to overcome obstacles, such as targeting; coordination through the organizational structure and increasing outreach and public education.

### **1. Assessment of Fiscal Year 2005 Accomplishments**

A description of all DHCD Programs is attached in Appendix C, starting on page 108.

#### ***a) Expanding Homeownership***

#### **The Home Purchase Assistance Program (HPAP)**

FY 2005, represented the first full fiscal year that DHCD provided increased loan levels for first-time homebuyers with incomes less than or equal to 80% of Area Median Income (AMI) to try to keep pace with the rapidly increasing cost of housing. These loan levels had been approved by the DC Council in 2004. The maximum amount for HPAP loans for low-income homebuyers was increased to \$20,000, and for very-low income homebuyers, it was increased to \$30,000. Loans for moderate-income first-time homebuyers remained at a maximum of \$10,000. Payments on all loans are deferred for at least five years.

Even with these enhancements, HPAP fell short of its FY 2005 Action Plan goal to provide 240 loans for down payment and closing costs to first-time buyers. (2005 Action Plan, Table 3, Page 38) The program provided 194 loans to first time homebuyers. Of households assisted under HPAP, 153 identified themselves as Black, twenty (20) as Hispanic, seventeen (17) as White, two as Native American, one as Asian and one as "other".

While there continued to be very strong interest demonstrated in the Department's first-time homebuyer assistance programs, it has been increasingly difficult for HPAP applicants to find homes to purchase even with HPAP assistance due to the intense competition for the limited inventory of affordable homes in the District. The average sale price of homes purchased by DHCD clients in FY 2005 was \$161,679, while the average client household income was \$39,841. The median cost of single family housing in the District of Columbia

has been greater than \$335,000 since early 2005. DHCD is recommending to the Mayor and Council substantial regulatory program changes for FY 2006 to serve more income-qualified home buying clients. To address the situation, in early FY 2006, a series of recommendations will be made to the Mayor and Council for changes to local regulations governing the District's homebuyer assistance program to allow increased levels of assistance and greater overall program flexibility.

**American Dream Down Payment Initiative (ADDI):**

The goal of providing first-time homebuyer assistance to 70 very-low income households was met. (2005 Action Plan Table 3, page 39) All HUD-year 2003 and 2004 HOME funds designated for the American Dream Downpayment Initiative were expended for first-time homebuyer assistance loans in the District's FY 2005.

**Homestead Housing**

The FY 2005 Homestead Program budget provided project delivery support for the continuing home rehabilitation efforts associated with 16 housing units that had been made available through Homestead lotteries in past years. Of these 16 rehabilitation efforts, 10 were completed in FY 2005. Two more were more than 90% completed at the close of the fiscal year, with only minor items to be completed prior to occupancy. This level of achievement exceeded the FY objective of five units assisted. (2005 Action Plan Table 3, (See also Part 3, Uses of Funds, Homestead Program, Page 44)

Also, as FY 2005 closed. Rehabilitation construction was completed for a Homestead multi-family project at 1460-62-64 Columbia Road, NW for which project sponsor was the Central American Resource Center (CAResCen). Assignment of eight affordable Homestead homeownership units at this site was set to occur in the first quarter of FY 2006.

The Homestead Housing Program depends upon acquisition of DC tax-delinquent or abandoned property for re-sale to low-moderate-income first-time homeowners for \$250 through an annual lottery or to non-profit housing developers through a Request for Proposals. There was no Homestead lottery in FY 2005 due to a lack of available tax-delinquent properties. In the lucrative DC real estate market, property owners are paying their delinquent taxes and keeping their properties out of the tax sale marketplace.

In addition, the Homestead Program expended resources in our continuing efforts to clear title to additional tax-delinquent properties, with the objective of possibly conducting a Homestead lottery in FY 2006. This effort, too, is extremely labor intensive as a result of the fierce competition among property developers for residential real estate in the District.

### **Tenant First Right to Purchase Program and Tenant Apartment Purchase Assistance Program:**

Tenant First Right: The escalating value of property in DC has affected all housing programs geared toward low-moderate income persons. DHCD did not meet the Tenant First Right program goal of assisting 200 tenant households to convert their units to condominiums or CO-Ops. (2005 Action Plan Table 3, page 44) DHCD assisted 153 households into home ownership.

The FY 2005 goal of the Tenant Apartment Purchase Assistance Program was to provide technical assistance to 4000 households in tenant organizations to begin the process of apartment conversion to ownership. (2005 Action Plan Table 3, page 45) The goal was exceeded by providing this assistance to 8,456 households. Services provided included: counseling on first right to purchase as well as technical assistance, seed loans, “earnest money” deposit loans, and acquisition loans to tenant organizations so that they could begin the process of converting their rental units to ownership. Following conversion, the program also offers management assistance.

Tenant organizations are also eligible for DHCD rehabilitation assistance for converted properties under the Development Finance Project Financing Program.

#### ***b) Sustaining Current Owners:***

### **Single Family Home Rehabilitation:**

The Single-Family Residential Rehabilitation Program (SFRRP) is a source of low-cost financing for the rehabilitation of single-family owner-occupied housing located within the District of Columbia. . Program activities include repairs to correct housing code violations, to remove threats to occupant health and safety, and to reduce lead-based paint hazards. The program features a number of different financing mechanisms and emphases, including:

- Low-interest amortized loans and no-interest deferred loans for rehabilitation, with an automatic deferral of the first \$10,000 of rehabilitation financing for senior citizens,
- Grants for lead-based paint hazard abatement, and
- Grants for home improvements that enhance accessibility for occupants with disabilities through its Handicapped Accessibility Improvement Program (HAIP).

The FY 2005 goal of providing rehabilitation loans/grants to 35 homeowners was greatly exceeded. (2005 Action Plan Table 3, page 40) DHCD was able to provide assistance to 103 homeowners. Improved management of the loan application process and the addition of the Water Service Line Replacement Grant initiative increased both demand and DHCD’s ability to respond to single-family homeowners

In FY 2005, DHCD continued the Water Service Line Replacement Grant initiative which was first offered to low-income homeowners in FY 2004. This popular initiative provided grant financing on behalf of low-income residents for the replacement of their privately-owned lead water service lines. This independent initiative expanded the reach of the lead water service line replacement program of the DC Water and Sewer Administration (WASA), which is replacing the publicly-owned portions of those lines. In FY 2005, DHCD reserved \$385,000 for its projects, enabling 77 lower income households to replace the privately-owned portion of the water lines when taking advantage of WASA's offer.

Improvements in the loan process for the Single Family Residential Rehab program (SFRRP) also enabled DHCD to settle a higher number of loans for rehabilitation than expected. The improvements included streamlining the work scope development process and increasing the number of construction management staff to handle the increased workload.

### ***c) Increasing the Supply of Affordable Housing***

#### **Development Finance Project Funding:**

The overall 2005 Action Plan goal of providing funding for 1,508 units of affordable housing was exceeded. (2005 Action Plan Tables 3 on pages 42 and 43) DHCD funded multi-family rehabilitation or new single or multi-family construction of 1,617 affordable units.

DHCD's competitive process for funding development elicited more qualified proposals for pre-development assistance for new construction than for multi-family rehab projects. This continued a trend that began in FY 2003. DHCD's funding supported 746 new construction units and rehabilitation of 871 affordable multi-family units. New construction units exceeded the goal of 200 by 546 units, and multi-family rehab units fell short of the goal of 1,308 by 437 units. The overall total of funded affordable units exceeded goals. (See Appendix A, page 93, for specific project information.)

Since FY 2001, DHCD has provided funding for over 10,000 new or rehabilitated affordable housing units.



#### ***d) Non-Housing Community Development & Community Organization Support***

##### **Neighborhood Investment:**

In FY 2005, DHCD's Neighborhood Based Activities (NBA) Program surpassed key Action Plan targets for Community-Based housing counseling (4,000) ('05 Action Plan Table 3, page 46) and Small Business and Commercial Corridor Development (300 businesses). ('05 Action Plan Table 3, page 48) Additionally, the goal of providing pro-active intervention services to 3,000 tenant households in buildings with expiring federal subsidies was exceeded. DHCD provided these services to over 4,000 tenants in 39 multi-family properties. ('05 Action Plan Table 3, page 47)

DHCD provided housing counseling to 17,662 tenants, homeowners and potential homeowners through community based organizations, and assisted 1,876 businesses with technical assistance to improve or expand operations. During the year, DHCD revised the goals to reflect the actual level of activity and demand for these services. The new goals: 8,000 for counseling, and 1,500 for businesses provided with technical assistance will carry forward into FY 2006. Given appropriate funding and vendors, the new goals will continue beyond FY 2006.

##### **Façade Improvements:**

One of the most important Neighborhood-Based Activities is to sponsor business façade redevelopment projects with local merchants. During FY 2005, the Department's Storefront Façade Program made significant strides in retooling its policies and parameters. The Action Plan ('05 Action Plan Table 3, page 49) goal of funding 100 facades was not met due to the timeframe requirements of the program, as described below.

The Department discovered that even though goals are set on an annual basis, the typical timeframe for façade completion is approximately 18 months. A Request for Façade Grant Applications was issued in May 2004 for FY 2005 façade activities. Six grantees were recommended for façade grant agreements as a result of that solicitation. Two of the grantees have since withdrawn their previously accepted applications. Two of the remaining four grantees have recently executed grant agreements and are expected to begin outreach activity for respective grants in the near future. The two remaining grantees are expected to execute their grant agreements by the end of calendar year 2005. In the interim, the Department spent significant amount of time during FY 2005 closing out its previous generation of façade grant projects, doing amendment work to a number of its existing façade grants and significantly, retooling the appropriate policies and parameters of the Façade Storefront Improvement Program.

##### **Crime Prevention:**

In FY 2005, DHCD set aside \$1,000,000 for Crime Prevention efforts in high crime areas of the District. ('05 Action Plan Table 3, page 52) After experiencing delays in initiating the



proposed crime prevention initiative, DHCD has partnered with other District agencies and community groups to participate in the District Government's overall crime reduction initiative. Three District agencies and four non-profits have been identified to receive a total of \$1.6 million to provide crime prevention activities in HOT SPOT areas (targeted geographic areas) of the District. As a result, the planned FY 2005 crime prevention efforts will be captured with identified crime prevention efforts for FY 2006.

Other neighborhood-based activities included: 1) a goal of providing pre-development affordable housing assistance to 42 affordable housing units in distressed areas of the District ('05 Action Plan Table 3, Page 50). DHCD exceeded this goal. For this activity four non-profit grantees were provided predevelopment assistance for 19 multi-unit projects for a total of 225 affordable units. Of these, 62 new units were substantially completed or made available as affordable housing units during FY 2005. Another goal was: 2) Targeted home rehabilitation through a community-based non-profit organization for 25 homes. ('05 Action Plan Table 3, page 51) The targeted home rehabilitation initiative resulted in 13 applications for assistance from the Bellevue community, of which seven (7) were eligible for assistance.

In carrying out its goals through non-profit and community development organizations, DHCD does not fund core organization functions. Grants are based on the capacity of neighborhood community development organizations and tailored to match community needs. In FY 2005, DHCD provided funding to 18 neighborhood community development organizations for a total of 26 Neighborhood Based Activities. (See also Tables 4, 5 on pages 8, 9; and Appendix B for specific activities funded.)

#### ***e) Community and Commercial Development***

DHCD distinguishes between major economic development activity and community development at a neighborhood-scale. DHCD plays a supplemental role to the Office of the Deputy Mayor for Planning and Economic Development in economic development by supporting neighborhood-based projects such as façade improvement and technical assistance to small businesses. It has also supported neighborhood economic health through its H Street CDC business micro-loan program and by providing development or public service support for community facilities.

**Business Micro Loans:** In FY 2005, the H Street CDC provided micro loans to five small businesses, satisfying the goal established in the '05 Action Plan. The DHCD loan underlying this program has been fully repaid by the H Street CDC, and the program will be discontinued. (See page 50 for list of '05 micro-loans)

#### **Community-Commercial Facilities:**

As part of its RFP funding process, DHCD includes community and commercial facilities as a category for funding, based on neighborhood need. There is no specific set-aside, but historically about 4-8 qualified projects may be funded. For FY 2005, DHCD projected

funding four such facilities, but actually funded nine (9). All of the projects were for special needs and senior housing. These included:

1. Walter Washington Community Center – Additional funding
2. The ARC – Additional funding (FY 2005 carryover funding)
3. Ft. Lincoln Regional Storm Water Management Facility
4. Patricia Sitar Center for the Arts
5. Carlos Rosario Career Center
6. Israel Manor Life Learning Center
7. Capital Area Food Bank
8. Dance Institute of Washington
9. Easter Seals DC Child Development Center

DHCD promotes community development and job creation by contributing to infrastructure projects. These include the façade development projects described under “Community Organization Support.” DHCD also provides funds to the D.C. Department of Transportation for streetscape improvements and the DC Housing Authority for site infrastructure improvements. In FY 2005, DHCD provided a total of \$4,379,024 of capital funds to two projects as follows: \$2,379,024 for the construction of a regional storm water management facility at Ft. Lincoln New Town, and \$2,000,000 for the construction of site infrastructure associated with the Arthur Capper Carrollsburg HOPE VI project.

## **2. Factors Affecting FY 2005 Goals:**

A number of economic factors are impacting the ability of low-to-moderate income residents to afford housing in the District of Columbia. DHCD has to expend more funds and provide greater subsidies to produce the same number or fewer affordable housing units. Even with increased loan amounts, it is extremely difficult to assist the targeted number of families to become homeowners due to the lack of properties available to families of moderate means.

Major External Factors are:

- The increased cost of housing in the DC market has decreased availability of property affordable to low-moderate income residents.
- The mismatch between cost of housing in the District and the earning potential of many residents; and
- A gap between skill and education levels of some residents for a job market requiring increasingly skilled and professionally-trained workers. (Based on Census Data)

### **a) Housing Market**

Starting in 2003 and continuing throughout FY 2005, sharp increases in home prices in Washington, D.C. and the surrounding suburban communities in Maryland and Virginia

have created obstacles to providing low-moderate-income households with homeownership opportunities and with rehabilitated and new affordable housing.

Last year, the Council of Governments indicated that the average price of homes in the District of Columbia jumped from \$384,553 to \$452,664 between 2003 and 2004, an increase of 17.7%. The time a house remains on the market also decreased to an average of 20 days throughout the region. This was a decrease of 33%--indicating that both higher prices and competition are continuing to affect the availability of housing for low-moderate-income residents. In September 2005, the D.C. Fiscal Policy Institute issued a draft report showing the number of affordable houses and apartments in the District declined by nearly 12,000 last year, as median rents jumped by 9% and home values by 32%. (Washington Post, September 14, 2005)

The long-range market picture is not encouraging. The region's affordable housing crisis is expected to get worse over the next decades due to the fact that housing production will not keep pace with economic development and job creation. According to a 2002 study published by the Center for Regional Analysis at the School of Public Policy at George Mason University, by 2025 the Greater Washington region is forecast to grow by 1,510,000 jobs and by 768,900 households (based on Cooperative Forecasts developed by local governments). As of the year 2000, the region already had a deficit in housing. By 2025, the forecast is that with the projected job growth, there will be a housing deficit of 218,200 units. Competition for housing is likely to continue to pricing pressure.

#### **b) Employment and Education:**

Combined with the shortage in the supply of affordable housing, many DC residents are also faced with a significant gap between their earning capacity and the cost of housing.

According to a study by Diana Pearce of the University of Washington (reported in September 2005 in the Washington Post), a "barebones budget" in the Washington region has increased dramatically over the past six years. The District was considered one of the least expensive locales within the region, even though the income required to subsist had risen at least 27% over the six years. The study found that a two-parent household, with an infant and a preschool-age child needed to earn \$60,339 to live in the District. The amount was based on what the researcher called a "self-sufficiency standard, the amount needed to cover basic needs such as housing, health care, food, clothing and transportation—without public or private subsidies. In the context of the overall income picture of the District of Columbia, there are serious implications for the future in maintaining a population that is economically and ethnically diverse.

The 2000 Census pointed out a disparity between the education and attendant earning levels of a significant percentage of DC residents and the kinds of jobs being created in the city and region. (Almost 43% had either not completed high school, or had gone no further than a high school education.) Limited opportunities for entry level and service positions

exist, but the salaries in these positions will not make home ownership possible and will even make some rental units out of reach. A Census income distribution shows that 45% of all District households had incomes of less than \$35,000. This income is less than was needed to rent a two-bedroom unit in 2004.

### **3. Actions to Overcome Obstacles to Affordable Housing:**

The District of Columbia has been taking steps to ameliorate the impacts of the current housing market, but is faced with the fact that existing resources will buy less in this competitive atmosphere.

Some of the steps taken by the District government include: a) adding a dedicated source of local funding for housing production through its Housing Production Trust Fund (HPTF) b) improving programs and processes to make project funding easier and faster; c) targeting investment by type of project and geographically in its funding processes; d) using inter-agency coordination and public-private partnerships to leverage public funding, and e) increasing outreach and marketing of programs and funding opportunities.

#### ***a) Dedicated Local Funding—HPTF***

In FY 2005, the Housing Production Trust Fund budget was \$87,503,587. The “Fund” is a local source of money for affordable housing development. DHCD combines all its eligible funding sources, federal and local, in its competitive funding process to maximize its support for affordable housing and community development projects. The HPTF is aimed at assisting the most vulnerable District residents. The Housing Act of 2002 requires that 80% of funds benefit households earning up to 50% of AMI, and that 50% of funds disbursed each year must be used for the development of rental housing.

#### ***b) Program and Process Improvements***

##### ***Programs:***

**Home Purchase Assistance**—FY 2005 represented the first full fiscal year that DHCD provided increased loan levels for first-time homebuyers with incomes less than or equal to 80% of Area Median Income (AMI) to try to keep pace with the rapidly increasing cost of housing. These new levels were approved by the Council in FY 2004. The maximum amount of HPAP loans for low-income homebuyers was increased to \$20,000 and for very-low income homebuyers was increased to \$30,000. Loans for moderate-income first-time homebuyers remained at a maximum of \$10,000. Payments on all loans are deferred for at least five years.

Due to the continuing intense competition for the limited inventory of affordable homes in the District, DHCD will make a series of recommendations to the Mayor and Council early in FY 2006 for changes to the local regulations governing the District’s homebuyer

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assistance programs. The changes will allow increased levels of assistance and greater overall program flexibility. We expect the changes to make a significant impact in restoring viability to DHCD's home purchase assistance programs in the current residential real estate market.

**Single Family Home Rehabilitation:** DHCD's initiative to replace lead water pipes has continued successfully in 2005. DHCD provides qualified resident home owners with grants to replace lead-contaminated water service lines on private property in conjunction with the Water and Sewer Authority's (WASA) funding of water line replacement on public property. In 2005, 77 homeowners took advantage of this initiative. DHCD reserved \$385,000 for these projects.

***Processes:***

**Site Acquisition Fund Initiative (SAFI)**—This new 2005 initiative, uses a portion of the Housing Production Trust Fund (HPTF) as a source of funds committed exclusively for loans for non-profit housing developers to acquire sites to develop as affordable housing. SAFI is a public-private partnership, using HPTF funds matched by the participating lending institutions in a leveraged, revolving loan fund. Public funds are loaned at zero interest, which buys down the private funds to below-market rates. The private lenders manage and promote the fund. DHCD pre-qualifies the non-profit developers who may apply for SAFI loans. The initial 2005 funding for SAFI was \$30 million; \$15 million from the HPTF and \$15 million from the private lenders. Experience with SAFI in the short run indicates that it is a successful initiative and that private funds are outmatching public funds for the non-profit developers. DHCD will consider adding funding for FY 2006.

**Increased Funding Opportunities**—During FY 2005, DHCD added a second Request for Proposals (RFP) to its annual competitive funding process for affordable housing development proposals. The DHCD Streamlined Funding Process that was started in 2003, begins with a Notice of Funding Availability (NOFA) and provides clear, predictable application processes (RFP and RFA) for development proposals and for community services. The streamlining and the additional round of funding have combined to make it easier and faster for developers and neighborhood-based organizations to access funds for affordable housing and community-serving projects. As need dictates, and resources permit, DHCD will increase access with additional targeted RFPs.

**Anti-Displacement Policy**—It is DHCD's policy to minimize displacement in all of its projects. Each program officer in the Development Finance Division keeps track of any relocation required for a project. Project managers review developers' plans and revise those plans as necessary to minimize displacement. Where relocation is required, the project managers ensure, as part of the underwriting process, that the relocation plans are adequate and are funded as part of the project development costs. A number of DFD project managers have received training in the Uniform Relocation Act (URA). Development Finance also has convened a team to oversee project compliance, including

URA compliance, and to update the Division's operating protocols to ensure that all specialized monitoring disciplines are being addressed.

In FY 2005, five projects had tenants on site and required the submission and approval of temporary relocation plans. These projects were: Shipley Park Apartments, Las Marias Co-Op, Finsbury Square Apartments, Jubilee Housing renovation, and A Street Manor Co-Op. The developers of these projects are temporarily relocating tenants to other vacant units on their project sites to the extent possible in order to avoid relocation to off-project sites.

Any required relocation generated by DHCD's single family rehabilitation projects is incorporated into each project work plan, and associated costs are factored into the budget.

**Increased Fair Housing Counseling and Outreach:** To ensure that all available information on housing options is communicated to diverse groups and that language or cultural barriers do not prevent access to housing options, DHCD conducted a Fourth Annual Fair Housing Seminar; distributed information in Spanish, Chinese, Amharic and Vietnamese; conducted four community fair housing trainings throughout the city, completed the Section 504 accessibility compliance contract with ULS, and contracted with the Urban League to complete the "2005 Analysis of Impediments to Fair Housing Choice."

**Proactive Interventions:** DHCD continued its proactive housing counseling program for tenants threatened with displacement due to the sale of buildings with expired Section 8 funding. DHCD obtains "opt-out" information from HUD and contacts tenant groups to offer assistance in developing options such as new rental units or tenant organization purchase of the building. During FY 2005, 4,000 tenants received counseling under this initiative. As a strategy to preserve existing affordable housing and assist tenants toward ownership, DHCD is considering expanding its preventive counseling services to focus more on retaining affordable multi-family properties which may or may not be subject to expiring Federal subsidy.

**Outreach and Marketing:** DHCD stepped up marketing of its housing development and homeownership loan programs through neighborhood forums; public housing tenant initiatives; DC employee home ownership workshops; distribution and mailings of program materials in English and Spanish, stakeholder roundtables with the Director, Sidewalk Housing Fairs and media advertising.

### **c) Targeting Investment**

#### **i. By Geographic Areas**

With available resources being stretched by market conditions, targeting investments and improving outreach and funding processes become even more important. In its funding process, DHCD awards bonus points to developers whose proposals meet established



targets. FY 2005, the Department continued to target its funding to address the demographic changes and needs identified in the 2000 Census, in the Administration's development priorities as noted in the Mayor's City-Wide Strategic Plan, through DHCD's Needs Assessment Hearings, and to meet current market challenges.

Through its city-wide citizen participation process, the District's Administration identified 13 areas for targeted investment. These remained priority areas for 2005.

*Table 6: District Areas for Targeted Investment*

1. Anacostia	8. Ivy City / Trinidad **
2. Bellevue	9. Minnesota / Benning
3. Columbia Heights	10. Near Southeast
4. Congress Heights	11. Pennsylvania Avenue / Fairlawn
5. Georgia Avenue, N.W.**	12. Shaw
6. H Street, N.E.	13. Takoma*
7. Howard University / LeDroit Park	

\*Takoma Park is not a CDBG-eligible area because of higher area incomes.

\*\* These areas are also HUD designated Neighborhood Revitalization Strategy Areas (NRSA)s.

These target areas meet the characteristics of the priority areas outlined in the District's FY 2001-2005 Consolidated Strategic Plan, which targeted investment to:

- Emerging Growth Communities, where development momentum has been established, but where further periodic investment is needed, and where existing residents need housing assistance to prevent dislocation;
- Government centers, Metro stations and the Convention Center;
- Neighborhoods in which there is a dense concentration of tax-delinquent, vacant, abandoned and underutilized housing and commercial facilities; and
- Gateways to the city – their first impression sets the tone for visitors' interaction with the city.

(Appendix D contains a map of target areas and a list of census tracts with their minority concentrations.)

In addition to these target areas, there also are two Neighborhood Revitalization Strategy Areas (NRSA), Georgia Avenue, NW, and Carver Terrace/Langston Terrace/Ivy City/Trinidad. A FY 2004 initiative, "Hot Spots" added targeted areas, and this initiative continued into FY 2005.

Under the Hot Spots initiative, the District of Columbia targeted activities from all agencies into a concerted initiative to increase public safety and reduce crime in fourteen "hot spots". Many identified areas overlap DHCD's target areas. The hot spots are based on Metropolitan Police Districts and are as follows: First District: Sursum Corda and 1st Street-

M Street, SW; Third District: 14th Street NW and North Capitol St.; Fourth District: Columbia Rd, NW, Georgia Ave. NW, Shepherd St. NW; Fifth District: Benning Rd. NE and W. Virginia Ave. NE; Sixth District: 50th Street NE and Clay Terrace NE; and Seventh District: Elvans Rd. SE, Valley Ave. SE, and Yuma St. SE.

**New Communities:** The planning for this new Administration initiative started in FY 2005. Neighborhoods with a combination of high levels of crime and poverty will be targeted for comprehensive physical, social and economic renewal that respects and retains current residents while adding to the diversity in incomes and population. Sursum Corda, which is also a targeted “Hot Spot”, is part of a New Community target area known as “Northwest 1”, and will be among the first areas addressed under the New Communities initiative.

DHCD anticipates playing an important role in funding affordable housing in targeted neighborhoods, and has included New Communities and Great Streets as part of the District’s anti-poverty efforts in the Five-Year Consolidated Plan.

### ***Basis for Assignment of Priorities***

The negative impact from the hot DC housing market combined with the Census data on employment and earnings raise serious implications for housing affordability for District residents. In response, DHCD has focused its resources on areas where private market development threatens displacement; where initial revitalization efforts can benefit from public incentive; and where preservation of housing stock and ownership promotion will have a positive impact on individuals and neighborhood diversity.

Within the targeted geographic areas, DHCD will assist low and moderate-income residents by:

- Preserving existing housing stock with rehabilitation for low-moderate income residents, before market forces remove the possibility;
- Protecting existing resident-homeowners with rehabilitation loans to maintain property up to code and stay in place in neighborhoods undergoing change;
- Providing funding for tenant groups to purchase and convert buildings for homeownership in areas where renewal threatens displacement, or where expiring Section 8 program properties are being sold, and
- Supporting revitalization of neighborhoods by funding commercial and community services through facility construction and/or neighborhood-based service loans/grants.

### **ii. Through the Annual Competitive Funding Process**

DHCD has simplified and standardized the process it uses to invest its federal and local funds by using an annual competitive funding process. In FY 2005, DHCD added a second Request For Proposals (RFP) round of funding for its affordable housing programs.



It is planning to add some standard loan products to the RFP for the FY 2006 funding process. The funding process starts with a Notice of Funding Availability (NOFA) that is followed by issuance of a Request for Proposals (RFP) for development projects or a Request for Applications (RFA) for neighborhood services. Potential developers and public service providers are provided with clear, complete instructions for applying for funds. Pre-proposal conferences are held with potential applicants to “walk them through” the process and respond to questions. The results of the competitive process are known before the start of the next fiscal year, and budgeted in the first quarter of that following fiscal year, which runs from October 1st to September 30th.

The location and specific projects to be funded are not usually known when the Action Plan is filed with the US Department of Housing and Urban Development (HUD) in August (preceding the end of DC’s fiscal year), but the programs that DHCD will use, the amount and types of funds targeted for each program, who may apply, criteria for selection, the performance goals, and the geographic and population targets are all identified in the RFP process and referenced in each Action Plan.

The process is guided by HUD’s “Guidelines for Preparing A Consolidated Plan Submission for Local Jurisdictions” (Office of Community Planning and Development), where the following is stated on page 18, **Location:** *“If the location of a specific project is not known or is confidential, the jurisdiction should identify the general area or activity. For projects for which the jurisdiction has not yet decided on a specific location, such as when the jurisdiction is allocating an amount of funds to be used for making loans or grants to businesses or for residential rehabilitation, the description shall identify who may apply for the assistance, the process by which the grantee expects to select who will receive the assistance (including the selection criteria), and how much and under what terms the assistance will be provided.”*

#### RFP Development Project Types, Priorities and Uses of Funds:

The most common, *eligible* project types funded by DHCD with its combined federal and local resources include:

1. Preservation of Expiring, Federally Subsidized, Affordable Rental Housing
2. Special Needs Housing
3. Elderly Housing
4. New Construction of Affordable Rental or For-Sale Housing
5. Substantial Rehabilitation of Affordable Rental or For-Sale Housing
6. Community Facilities

#### **Priorities:**

DHCD gives priority, in its funding process, to certain types of projects and target areas:

- Projects in one of the 13 strategic neighborhood investment areas, hot-spots and two NRSAs, (See Appendix D and page 86 for NRSAs.)

- Preservation of affordable housing for very-low and extremely-low-income households in buildings with expiring federal subsidies,
- Homeownership projects,
- Affordable rental housing development for extremely low-income households,
- Commercial and Community facilities that serve low-income communities, and
- Façade projects and commercial/retail building development in strategic investment areas or that leverage resources committed through the ReStore DC initiative, and
- Projects which provide high-speed internet access to units at no cost to residents.

#### **d). Through Coordination and Institutional Structure**

Another way to remain competitive in the District's "hot market" is to maximize the leverage of public investment by working with other agencies and/or stakeholders. The District of Columbia government's institutional structure facilitates internal coordination and cooperation.

##### **Inter-Agency Coordination:**

In the District of Columbia, executive functions are organized under the Mayor, City Administrator and four Deputy Mayors who supervise "clusters of agencies". This Deputy Mayor structure facilitates consultation across responsibility areas, and maximizes leveraging of public investments.

The Department of Housing and Community Development (DHCD) reports to the Deputy Mayor for Planning and Economic Development along with the following agencies: the D.C. Public Housing Authority (DCHA), DC Housing Finance Agency (DCHFA), Department of Public Works (DPW), Department of Consumer and Regulatory Affairs (DCRA), the Department of Employment Services (DOES) and the Office of Planning (OP). Weekly "Cluster" (groups of agencies by focus) meetings provide the opportunity to consult and coordinate plans and activities across disciplines. Participants discuss joint projects, legislative issues and other matters where coordination will promote common goals. The monthly Mayor's Cabinet Meetings provide another forum for consultation and coordination across the lines of "clusters" (human resources, criminal justice, parks & recreation, infrastructure etc.)

DHCD works closely with DCHA and DCHFA to maximize dollars available for housing opportunities for all income levels from extremely low to moderate income.

### **Partnering with the DC Housing Authority:**

DHCD has partnered with the DC Housing Authority (DCHA) in redevelopment of the Frederick Douglass/Stanton Dwellings, the New East Capitol public housing communities and the Arthur Capper/Carrollsbury Dwellings and the Eastgate Public Housing site through the HOPE VI Program.

The HOPE VI Program redevelopment plan for Frederick Douglass/Stanton Dwellings, renamed Henson Ridge, calls for a new, 600-unit community with all new infrastructure (streets, sidewalks and alleys), a new community center, new parks and open spaces, as well as significant investment in neighborhood schools. The development includes 320 home ownership units targeted to households with a range of incomes. The 280 rental units will serve a mix of public housing and moderate-income families. The housing mix also includes 42 senior bungalows, 28 stacked-flat apartments and 530 townhouses. To date, DHCD has committed \$8 million for infrastructure improvements, \$5.0 million in CDBG funds (disbursed) and \$3.0 million in capital funds (disbursement in progress). DHCD, at DCHA's request, capped the expenditure of capital funds at \$1.0 million and re-programmed the unexpended \$2.0 million to fund infrastructure construction at the Arthur Capper/Carrollsbury HOPE VI project. DCHA determined in FY 2004 that, because of unanticipated cost overruns on the Henson Ridge project, they were going to need the \$2million that was reprogrammed to the Arthur Capper HOPEVI project. These additional funds were requested by DHCD on DCHA's behalf in the FY 2006 capital project funding call and were authorized for expenditure starting in FY 2006.

The New East Capitol HOPE VI project, renamed Capitol Gateway Estates (formerly East Capitol Dwellings and Capitol View Plaza along with a HUD-foreclosed property) originally was to include 555 units of newly constructed mixed-income units. One hundred ninety-six units were to be public housing, 214 affordable and market rate rental units and 145 home ownership units, utilizing both lease-to-purchase and Section 8 home ownership rules and ensuring home ownership for a number of current residents.

However, DCHA recently acquired Capitol View Plaza II from the Federal Housing Administration and has developed a new redevelopment plan for Capitol Gateway Estates that is about to receive final approval from HUD. The new redevelopment plan, with a total 761 units will include 152 units of senior housing, 221 tax credit housing units, 177 market rate units, and 211 units of public housing replacement. DHCD has committed \$10 million in funding for this project for infrastructure improvements; \$3.0 million in CDBG funds (disbursed), and \$7.0 million in capital funds (disbursement in process and almost completed in FY 2005). DHCD also committed \$789,666 in Low Income Housing Tax Credits in FY 2003 to assist the construction of 151 new senior housing apartment units in the Senior Building.

In FY 2005, DHCD also requested at DCHA's request, as part of the FY 2006 capital project funding call, capital funding for the following additional DCHA public housing projects:

1. Arthur Capper HOPE VI—\$4,075,000 (in 2006 and 2007) for construction of site infrastructure associated with further phases of the multi-phase construction;
2. Eastgate HOPE VI—\$5,000,000 (in 2006 and 2007) for construction of site infrastructure associated with the project;
3. Langston Terrace Public Housing—\$1,000,000 (in 2008 and 2009) for rehabilitation to selectively replace infrastructure and restore the exterior integrity of this historic landmark property;
4. Lincoln Heights Public Housing—\$2,000,000 (in 2009 and 2010) for partial demolition of existing public housing and construction of new site infrastructure associated with new replacement townhouses;
5. Potomac Hopkins Plaza Public Housing—\$2,500,000 (in 2008 and 2009) for redevelopment of the existing public housing development and one-for-one replacement of all the existing units in a new on-and off-site development; and
6. Parkside Public Housing—\$3,000,000 (in 2008 and 2009) for site infrastructure associated with the one-for-one replacement of public housing units with townhouse units.

DHCD received funding authorization for all of the above funding requests during FY 2005.

#### **e). Through Outreach—to Community and to Developers**

To ensure that eligible residents can take advantage of the affordable housing opportunities in the District and that potential developers are aware of the funding opportunities offered, the Department of Housing and Community Development (DHCD) conducts on-going community outreach and education program. (See page 89 for further information on participation and outreach.)

DHCD's citizen outreach efforts are conducted in accordance with its Citizen Participation Plan via mass mailings, seminars, community meetings, etc. coordinated by the Office of Strategy and Communications (OSC). In conjunction with development of its Annual Action Plans and CAPER reports, the Department provides broad notice of public hearings which are held at convenient community locations, distributes draft documents to organizations, the media and residents and invites community input.

DHCD issues a minimum of four mass mailings a year (in excess of 1000 per mailing) to Advisory Neighborhood Commission Chairs and Commissioners and various community-based organizations (CBOs), community development corporations (CDCs), and other public/private entities regarding DHCD activities. DHCD distributes colorful brochures advertising and explaining its programs throughout the community. Activities include public

hearings, budget hearings, notifications of City Council actions, Notice of Funding Availability (NOFA), DHCD events, press releases, legislative issues affecting affordable housing, community meetings, groundbreakings, ribbon-cuttings, stakeholder “brown-bag” lunches with the Director, and responses to the “Ask the Director” website link. DHCD has an active program of outreach to minority groups, immigrant communities and persons with limited English usage for its programs and for information on Fair Housing. Information has been translated into Spanish, Chinese and Amharic. Additional mailings or distributions are done as necessary.

**Notice of Funding Availability—NOFA:**

The competitive funding process employed by DHCD starts with a Notice of Funding which is followed up with a Request for Proposals (RFP) for development projects, and a Request for Applications (RFA) for Neighborhood-Based Investment. Notice is widely broadcast to non-profit and for-profit developers; to Community Development Corporations and other community-based organizations. Pre-proposal conferences are held to explain the application processes; hot lines and our website provide quick response to questions that arise, and closing dates for proposals/applications are strictly adhered to. Independent selection committees assist DHCD with preliminary determinations. Stakeholders have expressed their satisfaction with the improved communications and openness of the funding process.